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Programme 9. Trade and development

CONTENTS

		Paragraphs	Page
Programme 9.	Trade and development	9.1 - 9.29	2
Subprogrammes:			
9.1	Globalization and development	9.9 - 9.10	4
9.2	Investment, enterprise development and technology	9.11 - 9.15	4
9.3	International trade in goods and services, and commodity issues	9.16 - 9.17	6
9.4	Service infrastructure for development and trade efficiency	9.18 - 9.19	7
9.5	Least developed countries	9.20 - 9.22	8
9.6	Institutional development and support services for trade promotion, export development and international purchasing and supply management	9.23 - 9.24	9
9.7	Market development and trade information	9.25 - 9.29	10

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9.1 The mandates for the programme flow from the role and responsibilities assigned to the secretariat of the United Nations Conference on Trade and Development (UNCTAD) by the General Assembly, the quadrennial United Nations Conference on Trade and Development, the Economic and Social Council and its subsidiary bodies, including the Commission on Science and Technology for Development and the Trade and Development Board and its subsidiary bodies. Principal mandates are set out in General Assembly resolutions 1995 (XIX) of 30 December 1964, by which UNCTAD was established, and 50/95 of 20 December 1995 on international trade and development, the 1990 Programme of Action for the Least Developed Countries for the 1990s, the Cartagena Commitment, adopted at the eighth session of UNCTAD, in 1992, and, in particular, the Midrand Declaration and "A Partnership for Growth and Development" (TD/377), adopted at the ninth session of UNCTAD, in May 1996.

9.2 The programme will be implemented by UNCTAD and the International Trade Centre, UNCTAD/World Trade Organization (WTO) (ITC). The Centre's original mandate derives from General Assembly resolution 2297 (XXII) of 12 December 1967. In its resolution 1819 (LV) of 9 August 1973, the Economic and Social Council affirmed the role of ITC as the focal point for United Nations technical cooperation activities in trade promotion.

9.3 At the ninth session of UNCTAD, Governments recognized that the concept of development had evolved from a narrow focus on economic growth and capital accumulation to that of a multidimensional undertaking with the ultimate goal of bettering the human condition. To confront disparities between and within nations and the concerns relating to the integration of environment and development, a global partnership for sustainable development was called for, as no nation could achieve those aims on its own. The twin processes of globalization of production and liberalization of trade offered opportunities for all countries and enabled developing countries to play a more active role in the world economy. At the same time, those processes had increased the complexity of interdependence, as well as the risks of instability and marginalization. While some developing countries were already benefiting from the processes indicated, others were less well placed to seize the opportunities and it was widely recognized that intensive efforts were needed to enable them to do so on a more equitable basis.

9.4 At its ninth session, UNCTAD responded to the above challenges by initiating reforms designed to give new and real meaning to the partnership for development. As confirmed by Governments, the role of UNCTAD is to serve as the focal point within the United Nations system for the integrated treatment of development and interrelated issues in trade, finance, technology, investment and sustainable development. The problems of least developed countries, sustainable development, poverty alleviation, the empowerment of women and economic cooperation among developing countries will constitute cross-cutting issues of concern in all UNCTAD work.

9.5 UNCTAD will carry out its mandates through analytical work, research to support policy dialogue and technical cooperation. Its research and analytical work are meant to facilitate policy formulation within member States as they strive for development. Technical support and cooperation are provided in order to yield concrete results, with special attention being devoted to creating an

overall enabling environment at a policy and institutional level for the least developed countries. In enhancing that assistance, UNCTAD will strengthen its cooperation and coordination with WTO, ITC and other international organizations. In seeking to enhance the Partnership for Growth and Development, UNCTAD will also involve civil society, seeking to contribute to sustained economic growth through the creation of an enabling environment for the private/business sector.

9.6 For its part, ITC will complement the research, policy and normative work of its parent bodies, UNCTAD and WTO, by concentrating on operational issues related to the provision of information, product and market development, and institutional development and support services for trade promotion, export development and international purchasing and supply management.

9.7 In line with "A Partnership for Growth and Development", it is expected that, by the end of the period covered by the plan, the programme will have accomplished the following:

(a) Enhanced the ability of developing countries to expand and diversify their trade, to meet their multilateral obligations, to understand and take advantage of their rights and to pursue their development objectives;

(b) Enhanced the ability of developing countries to attract foreign investment and develop enterprise capabilities and a technological base to strengthen their production and export capacity;

(c) Increased capacities of developing countries, in particular the least developed countries, to reap the benefits of globalization;

(d) Generated the trade supporting services in developing countries, in particular the least developed countries and the countries in transition, especially for informal sectors and small and medium-sized enterprises;

(e) Increased capacities of enterprises in adapting their products and their marketing approaches in the post-Uruguay Round era;

(f) Contributed to policy formulation, in particular, by creating an overall enabling environment at a policy and institutional level for the least developed countries through technical support and cooperation;

(g) Contributed to the integrated treatment of development and interrelated issues in trade, finance, technology, investment and sustainable development in the light of the emerging concept of development as a multidimensional undertaking.

9.8 UNCTAD will be responsible for subprogrammes 1 to 5, while ITC will be responsible for subprogrammes 6 and 7.

Subprogramme 9.1 Globalization and development

9.9 The focus of the subprogramme, for which the Division on Globalization and Development Strategies is responsible, is to facilitate the process through which developing countries utilize the benefits of globalization to accelerate their development.

9.10 The objectives of the subprogramme are:

(a) To contribute to the understanding of the evolution and interaction of the elements for sustainable development in an increasingly globalizing world economy, tracking changes in those interactions and evaluating their impact on the development process, seeking new opportunities for further development resulting from globalization and liberalization, and providing policy approaches and actions to help developing countries integrate into the world economy and achieve sustainable development;

(b) To assist countries in creating a stable macroeconomic framework and undertaking necessary structural adjustment and reform, with a view to facilitating their effective participation in international trade and investment, and integrating the development experiences derived from debt-management problems;

(c) To promote international support, in the context of growing interdependence, for creating and sustaining a global economic environment favourable to accelerated and sustainable development;

(d) To promote and support cooperation among developing countries (South-South cooperation);

(e) To contribute towards the effective implementation of the United Nations New Agenda for the Development of Africa in the 1990s;

(f) To promote better resource management in the context of sustainable development and diversification.

Subprogramme 9.2 Investment, enterprise development and technology

9.11 The focus of this subprogramme, which will be implemented by the Division on Investment, Technology and Enterprise, is to promote policy dialogue among development actors for the purpose of assessing the challenges and opportunities for enterprise development arising from the emerging economic conditions, including the post-Uruguay Round environment, an enabling environment for investment, enterprise development and the participation of enterprises in the global economy, and technology for development.

9.12 In the area of investment the objectives are:

(a) To improve general understanding of trends and changes in foreign direct investment flows and related policies, the interrelationships between foreign direct investment, trade, technology and development, and issues related to transnational corporations of all sizes and their contribution to development;

(b) To identify and analyse implications for development of issues relevant to a possible multilateral framework on investment;

(c) To familiarize Governments and the international private sector with an individual country's investment environments and policies by continuing investment policy reviews with member countries that so desire;

(d) To enhance the capacity of developing countries and countries with economies in transition to improve their investment climate, to gather information and to formulate policies to attract and benefit from foreign direct investment;

(e) To assist countries, at their request, in accounting standards and accounting training and related activities;

(f) To promote opportunities for foreign direct investment in host countries by facilitating the exchange of experiences on investment promotion and the benefits of foreign direct investment;

(g) To promote investment from developed to developing countries and among developing countries;

(h) To facilitate the mobilization of the private sector in order to encourage foreign direct investment flows to the least developed countries;

(i) To assist developing countries, in collaboration with the World Intellectual Property Organization (WIPO) and WTO, to identify opportunities to attract investment provided by the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Agreement").

9.13 In the area of enterprise development, the objectives are:

(a) To support developing countries in the formulation of strategies for promoting private sector development;

(b) To contribute to entrepreneurship development, including ensuring the participation of women, and to the reform of public sector enterprises through assistance to developing countries with policy issues and training activities;

(c) To enhance the participation in the global economy of enterprises from developing countries and countries in transition;

(d) To facilitate the exchange of experience in the formulation and implementation of enterprise development strategies, including questions related to privatization, and public/private sector dialogue and cooperation;

(e) To assist countries in transition in overcoming the special problems relating to enterprise development in those countries;

(f) To promote ways to facilitate efficient domestic resource mobilization.

9.14 In the area of technology, the objectives are:

(a) To identify options for national action, especially those which foster technological capability and innovation and the transfer and diffusion of technology;

(b) To identify, through exchange of experience among countries at different levels of technological development, policies to favour technological capacity-building, innovation and technology flows to developing countries;

(c) To strengthen the capacity of developing countries to access information technology;

(d) To assist developing countries, in collaboration with WIPO and WTO, to identify opportunities to attract new technologies provided by the TRIPS Agreement.

9.15 In the areas referred to above, UNCTAD will take into account the work done by WTO, ITC, UNIDO and the World Bank Group, in order to avoid duplication and coordinate related activities.

Subprogramme 9.3 International trade in goods and services, and commodity issues

9.16 The focus of the subprogramme is to maximize the positive impact of globalization and liberalization on sustainable development by assisting in the effective integration of developing countries, in particular the least developed as well as certain developing countries with structurally weak and vulnerable economies, including those countries which are commodity-dependent, into the international trading system. The distinctive interests of countries with economies in transition will also be taken into account.

9.17 The objectives of the subprogramme, which will be implemented by the International Trade and Commodities Division, are:

(a) To enable the above countries to respond to the opportunities arising from the Uruguay Round agreements so as to derive maximum benefit from them. To that end, the subprogramme will:

(i) Enhance national capacities, in terms of human resource and administrative infrastructures, to enable countries to adjust effectively to meet their obligations and take advantage of their rights, including in the context of their accession to WTO;

(ii) Identify impediments to trading success, including barriers to export expansion and diversification;

(iii) Facilitate the examination of issues related to trade preferences, with a view to maximizing their utilization;

(iv) Assist developing countries, in collaboration with WIPO and WTO, to identify opportunities provided by the TRIPS Agreement;

(v) Assist the least developed countries that are members of WTO to take maximum advantage of the special and differential measures provided for in the Uruguay Round agreements;

(vi) Provide analytical information relating to the Decision on Measures Concerning Possible Negative Effects of the Reform Programme on Least Developed Countries and Net Food-Importing Countries within the framework of the UNCTAD programme of cooperation with WTO;

(b) To assist developing countries to strengthen their capacities in the service sector, as well as to identify export opportunities;

(c) To increase understanding of issues related to competition law and policy of particular relevance to development and to assist developing countries in institution-building and in formulating policies and legislation on competition and consumer protection;

(d) To promote the integration of trade, environment and development, notably in connection with competitiveness, market access, eco-labelling, multilateral environmental agreements, positive measures and trade liberalization;

(e) To contribute to vertical and horizontal diversification and to the transparency of commodity markets, to promote the management of commodity resources, in the context of sustainable development, and to continue to assist producers of commodity-dependent countries to make use of risk-limiting instruments.

Subprogramme 9.4 Service infrastructure for development and trade efficiency

9.18 The focus of the subprogramme, which will be implemented by the Division on Services for Development and Trade Efficiency, is to assist developing countries, in particular the least developed and those in transition, in generating trade-supporting services such as customs, transportation, banking and insurance and telecommunications or business information, which are adapted to the requirements of those countries, concentrating on services addressing the needs of the informal, micro, small and medium-sized enterprise sectors.

9.19 The objectives of the subprogramme are:

(a) To enhance the capacity of interested developing countries and economies in transition to trade efficiently through such programmes as those relating to cargo tracking, multimodal transport, customs computerization, global trade networks and human resource development;

(b) To consolidate the Trade Point Network, to make existing Trade Points fully operational and effective, to assist interested countries in establishing new Trade Points, to enhance the capacity of Trade Points as information and training centres for small and medium-sized enterprises, and to support formulation of national policies promoting service infrastructure for development and trade efficiency;

(c) To assist developing countries, at their request, in the assessment of the efficiency of their trade-supporting services and best practices in the light of the recommendations of the United Nations International Symposium on Trade Efficiency, held in Columbus, Ohio, United States of America, in 1994, and to encourage involvement of the private sector, where feasible, taking into account the relationship between trade efficiency and information infrastructure;

(d) To alleviate special development constraints relating to the high transit/transport costs of land-locked and island developing countries, and the land-locked countries of Central Asia. UNCTAD, jointly with the International Maritime Organization (IMO), will pursue the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, concentrating on the commercial aspects of maritime transport and its importance for the sustainable development of those countries through guidelines, studies, training and other assistance.

Subprogramme 9.5 Least developed countries

9.20 The focus of this subprogramme, which will be implemented by the Special Coordinator for the Least Developed Countries, is to prevent their further marginalization in world trade, investment, commodities and capital markets, and to contribute to their integration and fuller participation in the global economy.

9.21 The objectives of the subprogramme are:

(a) To ensure the effective implementation of the Programme of Action for the Least Developed Countries at the global level and to monitor implementation of commitments, measures and recommendations agreed upon by the High-level Intergovernmental Meeting of the Mid-term Global Review of the Implementation of the Programme of Action, the ninth session of UNCTAD and the various recent global conferences;

(b) To mobilize and coordinate the relevant organs, organizations and bodies of the United Nations system in the implementation of the Programme of Action and the outcome of the Mid-term Global Review, as well as to coordinate UNCTAD sectoral work on least developed countries.

9.22 Further, the subprogramme will also assist small island developing countries within the framework of the Barbados Programme of Action to overcome their particular handicaps.

Subprogramme 9.6 Institutional development and support services for trade promotion, export development and international purchasing and supply management

9.23 The focus of the subprogramme, for which the Division of Trade Support Services is responsible, is to enhance the competitiveness of enterprises in world markets through the development of institutional capacities for the delivery of effective trade support services; to establish sustainable capacities for human resource development in international business; and to

improve the capabilities of importers to use foreign exchange resources more cost effectively in the importation of goods and services.

9.24 The subprogramme will pursue the following objectives:

(a) In the area of institutional development and support services, ITC, working with Governments and the private sector, will contribute to building up capacities, at the national or subregional level, for the design of trade promotion and export development strategies, bringing to bear the business-sector perspective through appropriate coordination mechanisms involving all parties concerned. It will also contribute to establishing comprehensive networks of public and private sector institutions with a view to strengthening institutional support to small and medium-sized enterprises, thus helping them achieve and maintain their competitive edge in the world market. In addition, national capacities will be developed in specialized trade support services, with a focus on four key areas, namely, trade financing, export packaging, export quality and the legal aspects of international trade. Concerning trade financing, the objectives will be to expand and enhance financing schemes offered to small and medium-sized enterprises and to develop skills at the enterprise level for a more effective use of trade financing mechanisms. As regards export packaging, where the continuing objective is to expand and diversify exports of packaged goods from developing countries, the emphasis will be on the health, safety and environmental aspects of packaging. As regards export quality, the focus will be on increased awareness of the changes brought about by the Uruguay Round agreements with regard to the technical barriers to trade, sanitary and phytosanitary measures, and trade and the environment. Overall quality management at the level of both support organizations and the individual enterprise will be more in line with international market requirements. On legal aspects, enterprises will be better informed of trade-related laws, regulations and models of legal provisions, in particular with reference to the Uruguay Round agreements on the trade-related aspects of intellectual property rights, and customs valuation;

(b) In the area of human resource development, the objective, during the initial period of the plan, is to adapt and reinforce existing capacities of training organizations to respond immediately to the business sector's increasingly complex needs for export-related knowledge and skill enhancement. In that context, special emphasis will be placed on strengthening national capacities to understand the business implications of the Uruguay Round agreements. Subsequently, the objective is to create and support the maintenance of capacities within training organizations progressively to broaden and increase the relevance of their training programmes. The focus will be on in-career training for the professional development of export-oriented entrepreneurs in small and medium-sized enterprises. By the end of the period covered by the plan, strategic alliances for a collaborative programme of applied research and development within a network of selected training institutions will have been established, which will provide a framework for the continuing joint development, updating and testing of export success cases, training materials and capacity-building tools, methods and aids. A model certificate-level syllabus in international competitiveness will have been developed and adopted by institutions participating in the network;

(c) In the area of international purchasing and supply management, the objectives are to achieve:

(i) Increased use by importers of high-performance international purchasing and supply management learning systems and management tools (including diagnostic tools);

(ii) Improved access to and utilization of information on international supply markets;

(iii) An extended network of national purchasing and supply management associations providing useful services to members;

(iv) Upgraded international purchasing and supply management support services (e.g. communications, shipping and cargo monitoring), institutional framework and procedures (in particular those for public sector procurement);

(v) Better integration of quality and environmental concerns in international purchasing and supply management.

In pursuing those objectives special emphasis will be placed on the importing inputs of small and medium-sized enterprises required for export production and on public sector procurement organizations in low-income countries, in particular the least developed countries.

Subprogramme 9.7 Market development and trade information

9.25 The focus of the subprogramme, for which the Division of Product and Market Development is responsible, is to build up capacities at the business-sector level to develop internationally competitive products and services and to market them more effectively with a view to expanding and diversifying exports, and to improve, on a sustainable basis, the availability, dissemination and utilization of trade information.

9.26 In the area of product and market development, the subprogramme will seek to achieve the following objectives:

(a) To improve the capacities of enterprises fully to exploit supply potential and market opportunities for specific products in specific markets, and to formulate export development and marketing strategies;

(b) To improve export performance through product adaptation and design and more effective marketing services;

(c) To increase diversification of export products through new product development, increased diversification of markets through market research, intensification of business contacts and promotional activities;

(d) To contribute to forging technical cooperation links and establishing mechanisms for the promotion of business contacts, partnerships and corporate

alliances among enterprises in developing countries, and with partners in developed countries.

Special emphasis will be put on the expansion of South-South and South-East trade, by using the ITC methodology, which combines trade flow analyses, supply-and-demand surveys, buyer-seller meetings and operating subregional trade information networks.

9.27 Concerning commodities, as a result of the abolition of commodity marketing boards, technical assistance must be channelled to an increased number of new exporters. The objective is therefore to enhance private sector development and to ensure effective functioning of the commodity exchanges for physical products. Another objective is to increase consumption in low-consuming countries through generic promotion, in particular of those commodities having environmental advantages.

9.28 In the area of trade information, the objective is to establish self-sustained trade information services and to set up networks for the exchange of information at the national, regional and interregional levels so as to enable enterprises to make effective international marketing decisions on products, services, markets, sources of inputs and other trade-related aspects. This will be achieved through human resource development for trade information management relevant to users' needs, a more intensive use of working tools and modern information technologies and the application of international standards. Capabilities will be developed at the exporters' and importers' level for correct interpretation and effective use of trade information. The subprogramme will continue to contribute to the UNCTAD special programme on trade efficiency and in particular to the trade information aspects of its Global Trade Point Network. Synergies with other international organizations and business entities will be developed further.

9.29 Trade information services established through the capacity-building component of the subprogramme will continue to experience difficulties in obtaining certain categories of data directly from the relevant information sources. ITC will, therefore, seek to fill the gap through the supply of information, in order to meet the immediate needs of institutions and enterprises for product- and market-specific information not readily available from other sources. Information will also be provided directly to countries where national capacities for collecting, processing and disseminating such information do not yet exist, in particular the least developed countries. Capitalizing on its extensive knowledge of and wide access to information sources, as well as on its network of business contacts, ITC will contribute to filling the information gap in three main areas: price information on selected products (Market News Service); selected bibliographies, directories and statistical compilations; and an impartial inquiry-reply service.